UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES SECURITIES AND EXCHANGE COMMISSION, Plaintiff, v. ALPINE SECURITIES CORPORATION, Defendant.	Civil No. 1:17-CV-04179-DLC Honorable Judge Denise L. Cote Magistrate Judge Ronald L. Ellis **ECF CASE**

DEFENDANT'S NOTICE OF SUPPLEMENTAL AUTHORITY

Defendant Alpine Securities Corporation ("Alpine"), by and through undersigned counsel, hereby respectfully submits this Notice of Supplemental Authority to inform the Court of a speech given on October 30, 2018, by Hester M. Peirce, Commissioner, U.S. Securities and Exchange Commission ("SEC"), "Costumes, Candy, and Compliance: Remarks at the National Membership Conference of the National Society of Compliance Professionals" (October 30, 2018), attached hereto as Exhibit A ("Peirce Speech"). Commissioner Peirce's statements addressed inter alia her concerns that the SEC is "forgetting" that it is a regulator, not a prosecutor, and that it needs to establish clear guidance for compliance professionals and "go into firms with weak compliance programs and work with them to improve those programs" rather than pursuing enforcement actions. Her concerns regarding enforcement actions relating to the filing of Suspicious Activity Reports is pertinent to the SEC's pending Motion for Summary Judgment on Liability [Dkt. 146].[1] Commissioner Peirce concurred with statements of former

[1] Briefing on the SEC's Motion for Partial Summary Judgment was completed on September 14, 2018. The attached speech by Commissioner Peirce was given on October 30, 2018. *See Delgado v. Ocwen Loan Servicing, LLC*, No. 13-cv-4427 (NGG) (ST), 2016 WL 4617159, at *7 (E.D.N.Y. Sept. 2, 2016) ("The court notes that while its individual rules require parties to file motion papers in accordance with a court-approved briefing schedule, there is no such requirement for notices of supplemental authority. While it would be ideal for parties to discovery and submit all relevant case law before a motion is fully briefed, '[i]t is fairly

Commissioner Daniel Gallagher that the SEC should "tread carefully" in its enforcement actions and "should not pursue enforcement actions based on 'strict liability for [Chief Compliance Officers] under Rule 206(4)-7.'" Peirce Speech at 5 (citing Daniel M. Gallagher, Commissioner, SEC, "Statement on Recent SEC Settlements Charging Chief Compliance Officers With Violations of Investment Advisers Act Rule 206(4)-7" (June 18, 2015), *available at* https://www.sec.gov/news/statement/sec-cco-settlements-iaa-rule-206-4-7.html). She cited actions relating to Suspicious Activity Reports as her example.

> I have been skeptical, for example, of enforcement actions against anti-money laundering compliance officers who are alleged to have filed too few Suspicious Activity Reports ("SARs"). Currently, **there is no clear rule delineating when firms should file a SAR, so they and their compliance officers are left to exercise their own judgment. We should not bring enforcement actions simply because we disagree, in hindsight, with their judgment.**

Id. (emphasis added).

Both parties have previously requested oral argument in relation to the underlying motion and Alpine remains available at the Court's convenience to address any questions or provide further information.

DATED this 21st day of November 2018.

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standard practice for parties to occasionally send letters or to otherwise file supplemental authority after briefing is complete.'") (citation omitted).

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